

LOUISVILLE METRO COUNCIL COMMITTEE MINUTES

Community Affairs Committee Meeting

Wednesday, February 17, 2010

2:05 P.M.

Third Floor, City Hall

Present:	Chair:	CW Shanklin
	Vice Chair:	CM Hawkins (Excused Absence)
	Members:	CM Henderson

Also Present: CW Bryant Hamilton and CW Woolridge

CW Shanklin began the meeting by announcing the members and non-members of the committee that were present. A quorum was established.

Special Items For Discussion

David Howard, Jr., Director of Housing and Jeana Dunlap, Executive Administrator - Department of Housing and Family Services

Chairwoman Shanklin stated at the meeting on February 3, 2010; the committee requested for David Howard and Jeana Dunlap to bring back some items of concern that the committee needed further information on.

David Howard, Jr. and Jeana Dunlap with Department of Housing and Family Services spoke to the item. Handouts were given to the members. The following was discussed:

- ❖ **Funds going into the target neighborhoods** Mr. Howard stated the information he brought back addressed that issue (**Attachment**)
 - ✓ Portland budget - \$750,000
 - ✓ Shawnee - \$750,000
 - ✓ Shelby park - \$750,000
 - ✓ Newburg - \$750,000
 - ✓ Park DuValle/Hallmark - \$750,000
- ❖ Mr. Howard asked the committee to please understand these are budgeted numbers. He stated what they will be doing in terms of purchasing and renovating these properties will be based on the cost of the acquisition, rehab and the down payment assistance.
- ❖ Hope to do more houses in each neighborhood but this cannot be guaranteed because it is dependent upon costs per house
- ❖ He stated the other three items at the bottom of the page talked about Community Projects located in NSP areas
 - ✓ \$2,000,000 – Housing Authority – to do work in the targeted neighborhoods
 - ✓ \$750,000 - Habitat for Humanity for a commercial project in the Portland Neighborhood which is a NSP area
 - ✓ \$750,000 - Youth Build in the Smoketown Park Neighborhood – NSP area
- ❖ **Time line getting the dollars obligated**
 - ✓ The goal is to get the dollars obligated by the end of March
 - ✓ Will be working with all of their sub-recipients
- ❖ **The Non-profits that will be working for their NSP**
 - ✓ Louisville Metro Housing Authority
 - ✓ River City Housing
 - ✓ Louisville Urban League
 - ✓ Rebound

- ✓ Habitat for Humanity
- ✓ YoutbBuild Louisville

Mr. Howard stated they were in the audience and Ms. Dunlap will introduce them later.

Questions and Answers:

CW Woolridge - How many are minorities on the Non-profits

Mr. Howard - All of the Non-profits will be working with have a minority component whether it be WBE, MBE . There are minorities that will be working with them.

CW Woolridge – None of the non-profits are strictly minorities and female - they are just working with the project but not minority owned companies

Mr. Howard - They are Community Housing Development Organization (CHDO)

CM Henderson – Valley Village has many run down properties and foreclosures. Is it part of this program

Mr. Howard – Valley Village is not in the NSP's targeted neighborhoods – The neighborhoods listed on the sheet are the ones designated as the targeted neighborhoods

CM Henderson – Farm Lakes has a number of foreclosures - Housing Partnership is working with the project – need to know if anyone is familiar with the area

Mr. Howard – The Housing Partnership has its own Neighborhood Stabilization Grant

C W Hamilton – Have you identified which of the (CHDO) will be working in which targeted area? She stated she was looking at her sheet and sees the notations one, two and three by the amounts but she was wondering what it meant on the chart

Mr. Howard stated for budgeting purpose. He stated they are still in discussion with their sub-recipients but they are thinking River City would work in the Portland Shawnee Neighborhood along with Rebound. There may be some overlap. It depends on how they can get the houses and who is ready to produce. It may be an overlap in terms of which non-profits work in which neighborhood.

CW Hamilton – The chart does not identify the Boxes Elder Shagbark Project

Mr. Howard – The chart just talks about the entitlement – 6.9

CW Hamilton was wondering about the 10.4

Mr. Howard – The rest is the Boxes Elder Project - State NSP

CW Hamilton By the end of March the funds will be obligated. After that what is the next milestone they are looking at?

Mr. Howard – Will start buying property just as soon as they get the contracts in place

CW Hamilton – The funds have to be expended by?

Mr. Howard – The funds have to be expended by March 2013

CW Shanklin – Will the project start March 2010

Mr. Howard - Have started now at the present time. They are trying to get things in place so they can go forward.

CW Shanklin – Did they originally get the money January 2009?

Mr. Howard stated they received the money March 2009

Ms. Dunlap- In January 2009 they were in preparation from actually receiving the grant funds. Had to do a citizen participation process and that was the justification and the reason for the forum in January.

CW Woolridge – Wanted to know about the question she asked two weeks ago regarding the tour. She has identified a person and would like to know what the procedure is for getting the person to do the tours in Hallmark. Christie McCreavy agreed to do the tours. The last Committee meeting it was stated there had not been a tour at Hallmark.

Mr. Howard stated Ms. McCreavy can contact him in regards to the tour.

CW Woolridge stated she wanted to make sure that the tour would take place

CW Shanklin –Mr. Howard told her in Newburg it would not be Rental property only Home Ownership but she would like to know where the Housing Authority rental property will be located

Mr. Howard – The rental component will come from the Louisville Metro Housing Authority as another sub-recipient. He stated part of the grant is they have to have 25% of grant spent for 50% (AMI) Area Medium Income Clients. He stated it was a natural fit for them to partner with the Housing Authority to accomplish this

CW Shanklin stated one of their concerns is what area will they be placing the Rental properties

Mr. Howard stated they will be placing the Rental properties in the NSP areas other than Newburg

CW Hamilton- Question regarding how the community will be involved with the CHDO. She stated they have been involved heavily up to this point in touring the neighborhoods selecting properties that met the criteria. She was wondering what input would they have going forward whether it is with properties selected or having communication with the CHDO

Mr. Howard stated they do the selection of the properties. He stated it was difficult to include another entity in that process because they will have to be very selective. They can give them ideas and notify them of properties that they may want them to consider but they have to make sure the properties are foreclosed or vacant and it is other things they have to take in consideration. They do not have a problem with the input but they would make the final decision on what properties to purchase

CW Hamilton wanted to know what role the community will play because they have been heavily involved. She felt it would be a mistake to exclude the community. She stated once a decision is made she would like for them to report to the community or communicate to her or other council members about their district. She felt it was best for people to know what was going on.

Mr. Howard stated they could provide the information in terms of the houses they purchased. He stated he anticipated the property purchased would be on their web site. They wanted to show the before pictures of the properties that they purchased and then the after project to show what has been done to bring the properties back up to the proper standards.

CW Hamilton suggested having community meetings to let the community know what is going on. She wanted to make sure they are at the table to know what is going on as they go forward

Mr. Howard stated that would be okay.

CW Woolridge would like to know how they arrived at the \$750,000 for each one of the neighborhoods. She stated two different neighborhoods District One and District Three which is Park DuValle/Hallmark is getting a total of \$750,000. The other individual neighborhoods alone are getting \$750,000. She stated she sees a little inequity and it needed to be revisited in some kind of way to make it more proportionate

Mr. Howard stated Park DuValle is already developed and Hallmark is just part of that. He stated he anticipated the majority of the funds going into the Hallmark neighborhood and the reason being Park DuValle is going to get a grocery store and they all ready have single housing and rental there at the present time and it is pretty well developed. The Housing Authority is in the process of buying the last building on Algonquin next to Wilson and that should be completed. He stated the north part of Algonquin is fairly developed and he anticipates the dollars will go south as much as possible which is the Hallmark Neighborhood.

CW Woolridge stated they will be making sure that this happens.

CW Hamilton stated she wanted to ask about the Community Projects. She stated the Housing Authority is lumped in with Habitat and Youthbuild and she wanted more information on what Habitat and Youthbuild would be doing as well as the rental units that the Housing Authority will be working on. Would they be in the five areas or other parts of the communities?.

Ms. Dunlap stated in regards to the Housing Authority Rental units they are restricted to NSP areas of most need in everything that they do. She stated every dollar of the NSP funds that get invested in the community is going to be used in one of these five neighborhoods or Fourteen Census Tracts. The Rental housing will necessarily be scattered and allocated across the community to give Housing Authority clients options and housing choices that are affordable in these physical locations that are in the neighborhoods designated by the NSP. If it is outside of the NSP designated areas there will not be any NSP activities going on.

CW Hamilton stated she was concerned about tipping communities in terms of excessive rental units.

Ms. Dunlap stated they were concerned also. They have people out checking the various census tracks and looking for potential foreclosure acquisitions and looking at more than just the foreclosure status. They have been looking at the contexts of the neighborhood and the environment, access to bus routes, grocery stores and other amenities that families are going to need and want in settling into a good long time housing situation.

CW Hamilton asked about Youthbuild and Habitat projects and what they will entail.

Ms. Dunlap stated as another aspect of the NSP and what it allows them to do it does not limit them to residential vacant structures and abandoned structures. In the areas that they are working in there are many industrial buildings that are underutilized and vacant as well as sources of negative influence in the community. They found through working with Habitat and Youth Build, they identified two commercial properties that are going to be suitable for housing; their community operations and helping them facilitate the missions of their organization and what they do.

CM Henderson stated it is a good idea to show the pictures of what the place looked like before and after all the rehab has been done.

CW Shanklin stated last year they had Bob French before the committee speaking about a dilapidated building in the Newburg area and rebuilding it as a community center. She was told the building didn't qualify and the money could not be used for this. She asked Ms. Dunlap to explain this to her.

Ms Dunlap stated in what she described with the building the principle fit with the NSP but the location disqualified it with NSP investment. She stated when they submitted their request for the grant funds to Federal HUD they had to be very specific about what census tracks they were going to work in. She stated there were 14 census tracks and most of the Census Tracks are correlated with what they consider a neighborhood boundary. She stated the property was not located in the 14 Census Tracks that were designated for the grant funds and that was what made it ineligible from the NSP prospective.

CW Shanklin wanted to know how they determined the Census Tracks

Ms. Dunlap stated HUD gave them very clear instructions on what was considered an area of greatest need. They provided data particularly on the majority of the income range of the people that lived in these various census tracks and this information was given to the Housing Advisory Panel and its Geographic Sub-committee which then deliberated which census tracks to designate as NSP target areas. The decision was made before they received the grant funds and they have been operating under those parameters every since.

CW Hamilton stated she wanted to go back to the Chart and wanted Mr. Howard to explain the Home/CDBG Support of NSP as applicable and the NSP –EN and the totals. She wanted a break down on how the numbers are budgeted and where they were coming from and the Administrative cost.

Mr. Howard stated the NSP-EN Column stands for entitlement and that is the 6.9 and the Home/CDBG Column is supplements to that. It depends on which properties they purchase and what that need is to determine which pot of funds they will use. He stated his Administrative cost is not in with the totals and it is separate.

Mr. Howard stated if you look at NSP Entitlement it comes to the \$6 Million so they have \$6.9 and the other \$900 Thousand would take care of Administrative costs.

CW Hamilton wanted to know if there was a formula on how much should be administrative costs off of the top

Ms. Dunlap stated they are allowed 10% of the overall grant amount and that comes out to the \$697,000 that can be set aside for Administration over the entire life of the grant up until the year of 2012. She stated anything that is not related to a particular site has to go into administration in case they might want to do outreach or overall grant activities. That is what they are limited with to do those types of things

CW Woolridge stated another concern the committee had was minority involvement and they were going to ask them to do the same thing that Mr. Host has done with the Arena. She stated if they could get together and give the committee information on how many minorities are working on what projects and what percent are females. She would like to request that this is done once they get into the projects. Since they had all the people in the audience from the various projects could they give a brief overview of what they do and who they are. She stated Rebound and River City and some of the others she was not familiar with.

CW Woolridge stated after the tour of Hallmark she would like to know what the next step is that is going to happen and when would she get back in the loop representing the area.

Ms. Dunlap stated they would keep her posted and updated on an ongoing basis as they reach the different milestones. She stated they would do the tours and make decisions about on

whether or not they are eligible projects to pursue and to lay out a plan to start acquiring those and probably doing that through one of their sub-recipients or CHDO's.

CW Hamilton stated CW Woolridge had a good point about the CHDO's and following up on the hiring and the work that is being done. She was thinking if they are going to be responsible for acquisition and rehab of these properties this should create jobs and training for area residents. She stated she didn't know if they had signed on the dotted line with the CHDO's or not but she would like to make sure it creates jobs or training for the residents to get involved as well.

CW Hamilton stated she did have a guest that she wanted to speak for about 3 minutes

CM Henderson wanted CDBG explained. He stated the reason was we are getting ready to go into a census and he felt it was important to let the public know how we get the federal money and what is going on and the importance of census

Ms. Dunlap stated everything that comes from the federal government to state and local government is dictated by formulas and HUD lays out what the formulas look like. She stated the single most important fact in the formulas is the population in the areas of where the funds will be utilized.

Chairwoman Shanklin stated they will be having a meeting and it will be dedicated to census workers.

CW Hamilton introduced her guest Gary Watrous.

Mr. Watrous spoke regarding Portland Neighborhood Revitalization Funds. **(Attachment)**

Lynn Rippy, Executive Director of Youthbuild Louisville spoke. She stated a young person and Boards Members were present in the audience. The following was discussed:

- ❖ The money that they would be accessing from NSP and if approved they would be building their own facility.
- ❖ Have been in operation for nine years.
- ❖ 90% of their young people over the last nine years are African American.
- ❖ Staff and Board is 50% African American
- ❖ Support minority point of view
- ❖ Looking forward to having a place with all operations under the same roof

James Hooten – Graduate from Youthbuild Louisville spoke

- ❖ Attending College – developing his own business plan
- ❖ The staff of Youthbuild has been committed to him and helped him with his future
- ❖ Youthbuild Louisville needs a new home
 - ✓ More room for their classes
 - ✓ Make learning easier
 - ✓ Will not have to drive across town to learn carpentry and back in the class room for the end of the day activities

Rob Locke, Executive Director for Habitat Humanity, spoke and gave out handouts

- ❖ Rehab Homes completed over the last 3 years **(Attachment)**
- ❖ Habitat is an organization that helps people to build their own homes
- ❖ 25th year of operation
- ❖ 23 years to build the first 300 homes
- ❖ Want to build the next 300 in less than 10 years
 - ✓ Building the Dream of 2019

- ✓ Need to have the capacity to build the homes
- ✓ Have been looking for a space to consolidate their operations
- ❖ Have found a place at Bank and 17th Street
- ❖ Habitat is a Construction company, Real estate company and a Bank
 - ✓ Write zero interest mortgages for 20 years
 - ✓ Families with escrow, taxes and insurance are paying approximately \$400 a month
- ❖ Have created capital for 325 families and the majority of the families are minorities
- ❖ 20% of what they do is renovation – In order for this to grow need the capacity to grow
- ❖ Do not have enough funds for this year
 - ✓ New Construction Sponsorship - \$35,500
 - ✓ Sponsorship for Rehab – \$20,000
 - ✓ Contact Rob Locke 637-6265 –Ext. 23

Ms. Dunlap spoke of other organizations that are working with them as follows:

- ✓ River City Housing
- ✓ New Directions Housing Corporation (**Attachment**)
- ✓ Louisville Urban League
- ✓ Rebound
- ✓ River Metro Housing Authority on the NSP strategy

Chairman Shanklin stated she would like for Mr. Howard and Ms. Dunlap to come back on a quarterly basis and report their progress.

Motion to adjourn made by Chairman Shanklin, without objection, the meeting adjourned at 3:00 PM

***NOTE: Items sent to the Consent Calendar or Old Business will be heard before the full Council at the February 25, 2010 Council Meeting.**

MEM